

Administrator's Recommended Budget



**Town of Moultonborough, NH
Fiscal Year 2014**

TOWN OF MOULTONBOROUGH

FY 2014 BUDGET

TABLE OF CONTENTS

1. ADMINISTRATOR'S TRANSMITTAL	1
2. MAJOR INITIATIVES & RECOMMENDATIONS	8
3. OPERATING BUDGET	17
4. REVENUES	264
5. ROAD PROGRAMS	267
6. WARRANT ARTICLES	288
7. CAPITAL PROGRAMS	313
8. LIBRARY & WORK PAPERS	343
9. FINANCIALS	346
10. STATES LANDING	368

MEMORANDUM – OFFICE OF THE TOWN ADMINISTRATOR

TO: Board of Selectmen
FROM: Carter Terenzini, Town Administrator *Carter*
RE: FY 2014 Budget Transmittal
DATE: November 15, 2013
CC: Advisory Budget Committee



Enclosed is my recommended budget, legislative and administrative program for FY 2014.

First - The Numbers:

Contained within your budget book is our annual "Build To" analysis (Page 3). This puts our recommendations for FY 2014 on a "head to head" footing with its FY 2013 equivalent. You will see that the proposed Operating and Capital tax levy budget is down some \$69,000 or .72% on an unadjusted basis. After adjusting for the lost revenue on the Visiting Nurse Services and the application of fund balance for two articles, the tax levy budget is down 4.59%. This budget requires us to raise approximately \$15,000 more in tax levy in FY 2014 or some .20% over FY 2013. Increases in the Library and/or petition warrant articles over FY 2013 will increase this figure.

The bottom line is a recommended FY 2014 operating tax levy budget of \$7,770,414.

Next – The Number Drivers:

We had several major cost drivers within the operating budget this year. They are:

- Reserve for a 2.0% COLA (+\$50,000)
- Step Increases (+\$25,000)
- Elections (+\$7,500)

The capital budget was increased at 4.83% or slightly less than the permissible 5% cap. About one-third of that is in increased contributions to the Reserve Funds in our effort to get to the recommended Annual Required Contribution (ARC) levels.

- Capital Outlays and Contributions (+\$75,000)

Offsetting those increases was a lack of inflationary pressures upon many of our contracts. This was particularly true of health insurance which increased a mere .8% overall plans. This was achieved by the conversion of nearly all users of the Blue Choice Plan to the Mathew Thornton Blue Plan.

The use of Lump Sum Disallowed recommendations was continued this year totaling roughly \$25,000. As previously discussed, our current annual return to fund balance is higher than I would normally anticipate. It is my hope to reduce that over time. I believe that with the change in the Visiting Nurse program, the now fully phased in the Recreation Revolving Fund and

continued vigilance we can reduce this to hit levels that I would consider to be more normal.

Our major savings or offsets were:

- Benefit Costs From Higher Employee Contribution ^ (\$-10,000)
- Recreation Revolving Fund Transition: Phase 3 (-\$10,000)
- Discontinuance of Police Officer Position (-\$75,000)
- Discontinue Support of Red Hill Fire Tower (-\$5,000)
- Visiting Nurse Service (-\$340,000 Gross)
(-\$160,000 Net)

Safety Valves & Needs:

We have no major safety valves for added savings in FY 2014, beyond those proposed herein, although additional changes to the insurance offering could yield annual savings of \$47,500+/- . However, these would not be available until FY 2015 if we follow our pattern of offering the 1st year savings to the employees. Those changes are now under discussion with the Insurance Advisory Group.

On the capital side, savings would require cuts in our investments for which we have a settled strategy for increasing. We caution against any such cuts. As you know from our lengthy discussions over the fund balance and trust fund policy, these short term solutions generally tend to have negative long term consequences.

Should any additional savings or revenues be identified I would recommend that you put them into one time capital expenditures or contributions to reserves.

Finally:

With that as background, the staff and I look forward to answering your questions and preparing for Town Meeting.

FY 2014 Build to Analysis

	FY 2013	FY2014
Operating Budget (1)	\$8,095,820	\$7,770,414 (1)
Site Assessment - Ph 1 @ Pre-1981 Landfill (FY '13 - Art 11)	\$15,000	\$0
Roads (FY '13 - Art. 12)	\$635,000	\$670,000 (2)
Software Purchase (FY '13 - Art 13)	\$100,000	\$0
Capital Outlay (FY '13 - Art. 14)	\$133,000	\$153,000 (3)
Capital Reserves (FY '13 - Art. 15)	\$337,800	\$406,590 (4)
Maintenance Reserves (FY '13 - Art. 16)	\$258,000	\$205,500
Taylor Property Acquisition	-	\$275,000 (5)
States Landing Improvements & Planning	-	\$25,000 (5)
Total	\$9,574,620	\$9,505,504 (6)
Increase/Decrease	-0.72% (7)	

Notes: (1) Net Decrease of \$35k after adjusting for \$110k on FY '13 Reval and loss of \$180k in VNS revenue.
(2) Net after application of Highway Block Grant
(3) Net after withdrawal from reserves
(4) Net after withdrawal from reserves
(5) Net cost of - \$0 - after application of fund balance
(6) The Library is outside of the influence of TA and Staff and therefore not incorporated within this budget.
The School, Carroll County, and various petitioned warrant articles beyond our control are not included.
(7) Net Decrease of 4.59% after adjusting for FY '13 Reval, loss of VNS \$\$, and Fund Balance Application